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Miami-Dade County, Florida

Request for Proposals

**EXTERNAL INDEPENDENT AUDITING SERVICES
SCOPE OF SERVICES**

Background

The County through PHCD is seeking proposals from interested parties to perform audits of the PHCD programs as stated herein. Miami-Dade County, Florida ("County") is a chartered political subdivision of the State of Florida. Effective May 1996, the Miami-Dade County Department of Housing and Urban Development's operations were merged with the Miami-Dade County Department of Special Housing Programs to form Miami-Dade Housing Agency. Then in October 2011, Miami-Dade Housing Agency merged with Miami-Dade Housing and Community Development to form PHCD. The Department has three divisions, Public Housing, Private Rental Housing and Community Development Programs. As the sixth largest housing agency in the nation and one of the most complex and comprehensive public housing agencies, PHCD is responsible for housing over 30,000 residents/families; has contractual agreements with private companies for property management services; provides for Section-8 subsidized payments for more than 16,000 units; and administers an array of specialized housing opportunities for various populations and the homeless. PHCD also administers a number of federal and local Community Development Programs. PHCD is also the primary County department responsible for the development of affordable housing.

PHCD's Operations consist of:

- The Public Housing Program including Owned Rental, Homeownership, Capital Funds, Modernization and Development Funds, HOPE VI, and Resident Opportunity and Support Services
- Business Activity Funds (General Fund)
- Community Development Block Grants/Entitlement/EDI (CDBG)
- HOME Investment Partnerships Program
- Neighborhood Stabilization Program (NSP)
- Continuum of Care (CoC)
- Documentary Stamp Surtax Program
- State Housing Initiatives Program (SHIP)
- Section-8 Housing Choice Vouchers Program
- Moderate Rehabilitation/Single Room Occupancy Program
- Five-Year Mainstream Vouchers
- Infill Housing Program

PHCD, which desires to positively enhance and better serve the community with integrity, care, high ethical standards, and competence, is committed to providing low-and moderate-income residents of Miami-Dade County with the following:

- Quality affordable housing opportunities
- Neighborhood revitalization and stabilization activities
- Economic independence opportunities
- Partnerships with private and public entities to optimize resources through innovative programs

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- Efficient and effective management of resources generated

Qualification Requirements

A. Minimum Qualification Requirement

The selected Proposer shall, at the time of proposal due date hold an active license and be in good standing with the State of Florida Board of Accountancy to practice Public Accounting as a Certified Public Accountant in the State of Florida.

Note: The above requirement is also a continuing condition of award, as the selected Proposer must maintain this minimum qualification throughout the duration of the contract.

B. Preferred Qualifications:

The selected Proposer should:

- 1) Be in good standing with the Government Finance Officers Association (GFOA), American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Note: This preferred qualification includes the selected Proposer and/or its key personnel, as applicable.
- 2) Have completed within the last three (3) years as the prime contractor, an external governmental audit comparable in size and scope to the financial audits of Housing Authorities and HUD's Housing and Community Development programs.
- 3) Meet all appropriate guidelines for independence pursuant to Florida Statute 473.315 and Florida Administrative Order 61H1-21.001.
- 4) Assign key personnel to this audit that have successfully completed the number of required hours of continuing professional education for CPA's engaged in governmental auditing pursuant to Florida Statute 473.312 and Government Auditing Standards (Yellow Book).
- 5) Have completed an external quality control review (peer review), without a failing score, within the past three (3) years in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Services to be Provided

Section 4.03 (G) of the Dade County Home Rule Charter, as amended, requires an audit by an independent certified public accountant of the accounts and finances of the County for each fiscal year. USHUD also requires entities that receive federal funds of \$500,000 or more to have an annual audit prepared by an independent certified public accountant.

The County is seeking proposals from independent certified public accountants meeting the minimum qualification requirement to perform audits of the programs found in section 2.1. The selected Proposer shall:

- a) Perform these audits in accordance with Auditing Standards Generally Accepted in the United States, Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act as amended, and the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".
- b) Provide attestation services related to the electronic submission of audited financial information to the HUD Real Estate Assessment Center (REAC). HUD requires the electronic submission to be completed within 9 months after the end of the fiscal year. The attestation procedures must be performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants and HUD's

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Guidelines on Reporting and Attestation Requirements of Uniform Financial Reporting Standards (UFRS) dated May 2001.

For additional guidance related to required electronic submissions, see Guidelines on Reporting and Attestation Requirements of Uniform Financial Reporting Standards (UFRS) posted at HUD's REAC's web site (http://www.hud.gov/offices/reac/library/lib_fapha.cfm#HANDBOOKS)

- c) Conduct an audit that will assist PHCD in determining whether it has:
1. Financial data and reports that are reliable;
 2. Financial statements, note disclosures, and supplemental information in accordance with accounting principles generally accepted in the United States;
 3. Internal controls in place to provide reasonable assurance that it is managing HUD programs in compliance with applicable laws and regulations; and
 4. Complied with the terms and conditions of Federal awards, guarantees, expended Federal, State and local funds properly, along with supporting documentation.

Audit reports are the primary tools used by PHCD's program managers to meet their stewardship responsibilities in overseeing these HUD programs and assuring the integrity of the funds. The assets of the programs listed in Section 2.1 are included as the assets of PHCD. The respective revenues and expenditures of each of these operations are also incorporated in the total revenues and expenditures of PHCD.

Additional Auditing Services

- a) Additional auditing services which may be required may include the preparation of special reports for financing purposes as determined by, the PHCD Finance Director or designee, litigation support as determined by the County Attorney, and any other special audits as determined and approved by the PHCD Department Director, Deputy Director/Chief Financial Officer, or designee.
- b) Any other additional audit work is limited to an annual cap fee of no greater than 10% of annual audit fee; subject to the hourly rates as established in any agreement issued as a result of this solicitation. Such need for additional services may arise from changes in Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), Federal and State requirements, or client imposed scope changes, special internal control reviews, efficiency reviews, benchmarking studies, rate matters or specialized research and training and must be pre-approved by the PHCD Finance Director or designee.

For annual audit requirements and other services, the selected Proposer shall supply engagement letters.

County Responsibilities

To assist the selected Proposer for the timely completion of the services requested herein, PHCD shall:

- a) Assist the audit team as much as possible in locating documents or transactions required by the audit.
- b) Have the PHCD Accounting staff assist in preparing the draft financial statements and the HUD Financial Data Schedule. The general and subsidiary ledgers and any additional supporting schedules, where appropriate, will be prepared to assist the audit process.
- c) Provide work area and phones.
- d) Have copy machines to be made available; however, the selected Proposer shall be expected to provide the labor to make any necessary copies.
- e) Provide prior audit reports and management letters to the audit team to examine.
- f) Have PHCD's Accounting Division to act as a liaison for the selected Proposer in arranging delivery of schedules, files and records, and in providing supporting documentation as needed.

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Audit Service Period

Any contract issued as a result of this Solicitation is subject to annual review and recommendation of the PHCD Finance Director and, in the option years, to the satisfactory negotiation of terms (including a total fee acceptable to the County). The audit base years are as follows:

- October 1, 2013 through September 30, 2014 (Fiscal Year 2014)
- October 1, 2014 through September 30, 2015 (Fiscal Year 2015)
- October 1, 2015 through September 30, 2016 (Fiscal Year 2016)

Pursuant to Article 5 of the County's Form of Agreement, option to renew periods are at the County's sole discretion.

Reporting

Following the completion of the audit of the fiscal year's financial statements, the selected Proposer shall :

- a) Issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles for PHCD and its component units if applicable. The financial audit opinion will cover the basic financial statements. The audit shall lead to the expression of an unqualified opinion on the financial statements unless the auditor justifies to the County, in advance and in writing, the reasons for an opinion that is other than unqualified. Certain combining and individual financial statements and schedules, and related information are not necessary for a fair presentation, but will be presented as additional analytical data. This supplementary information will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole.
- b) Issue a report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with GAAS.
- c) Issue a report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
- d) Provide a schedule of findings and questioned costs.
- e) Review and electronically approve, upon completion of the audit, the audited financial statements and related supplemental schedules to HUD's Real Estate Assessment Center (REAC) via the Financial Assessment Sub-System.
- f.) Provide a final and complete report of the audit which shall be submitted to the Board of County Commissioners and to the Comptroller of the State of Florida not later than March 31 of each succeeding fiscal year. The selected Proposer shall complete all field work by January 31 and submit required audited financial reports to the County's Finance Department no later than January 31. Individual components of the audit may be required prior to this date.
- g.) Submit no later than February 28 of each succeeding fiscal year a management letter which shall identify control and management weaknesses observed, assess their effect on financial management and propose steps to eliminate them. The final management letter to Board of County Commissioners shall include responses to such comments.